UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604

DATE: FEB 15 2018

SUBJECT: CLEAN AIR ACT INSPECTION REPORT
Niagara LaSalle Corp, Hammond, Indiana

FROM: Sarah Clark, Environmental Engineer
AECAB (IL/IN)

THRU: Nathan Frank, Section Chief
AECAB (IL/IN)

TO: File

BASIC INFORMATION

Facility Name: Niagara LaSalle Corp (Niagara)

Facility Location: 1412 150th Street, Hammond, Indiana, 46327

Date of Inspection: December 21, 2017

EPA Inspector:
1. Sarah Clark, Environmental Engineer

Other Attendees
1. Lisa Brown, Environmental Manager 2, Indiana Department of Environmental Management (IDEM)
2. Clifford Yukawa, Environmental Manager 2, IDEM
3. Brian Fudacz, General Manager, Niagara
4. David Ascher, General Counsel, Niagara
5. Willie Ortiz, Maintenance Purchaser, Niagara

Purpose of Inspection: Investigate facility lead usage and assess overall facility compliance with the Clean Air Act.

Facility Type: cold finished steel producer

Regulations Central to Inspection: Indiana State Implementation Plan, Minor Source Operating Permit (MSOP), National Ambient Air Quality Standards (NAAQS) for Lead.

Arrival Time: 9:20 AM
Departure Time: 12:45 PM

Inspection Type:
☒ Unannounced Inspection
☐ Announced Inspection

OPENING CONFERENCE

☒ Credentials Presented
☒ CBI warning to facility provided

The following information was obtained verbally from Mr. Fudacz unless otherwise noted.

Company Ownership:
Niagara LaSalle Corporation is a subsidiary of a company that was formerly known as Optima Specialty Steel, Inc. headquartered in Miami, Florida. In December 2016, Optima and its subsidiaries filed under Chapter 11 of the Bankruptcy Code. The company emerged from bankruptcy in November 2017 with a plan of reorganization sponsored by DDJ Capital Management. Optima acquired a new name, Specialty Steel Works Incorporated, and subsequently relocated its headquarters to within the Niagara facility in Hammond, IN. This information was obtained verbally from Mr. Fudacz and Mr. Ascher during the opening conference and researched through EPA library resources on January 2, 2018.

Process Description:
Niagara is a cold finish steel processor, as in, the facility receives and treats hot rolled steel bars and rods to improve the raw material's qualities. Treatments available at the facility include polishing, grinding, sawing, die casting (also known as cold drawing), annealing, tempering, and quenching. The treatment applied varies depending on the state of the incoming steel and requirements dictated by customer specifications. A significant source of particulate matter (PM) emissions includes Niagara's two Wheelabrator (East and West) shot blasting operations, the emissions from which are controlled by a shared baghouse on the north side of the facility. Niagara also operates two molten lead dip tanks, described in the Confidential Business Information (CBI) portion of this report.

Staff Interview:
According to Mr. Fudacz, the general plant-wide throughput is around 6,500 tons per month. The facility employs about 125 staff across three shifts. The furnaces run continuously, including those that heat the molten lead dip tanks, whereas the hours of operation for the other operations vary according to demand. The Wheelabrators operate on alternating shifts for a maximum of two shifts per day, six days per week. This shotblasting serves as an initial treatment used to remove scale buildup, i.e. iron oxide, from as-received hot rolled bars/rods at a rate of approximately 15 tons of hot rolled steel per hour. Rarely do cold-finished bars/rods return to the Wheelabrators unless they have imperfections. The next stack test for the Wheelabrator

baghouse is scheduled for the first quarter of 2018. Mr. Fudacz clarified that the two Kemp Bar Heating Furnaces, No. 3 and No 7., are located beneath and provide heat for the two molten lead dip tanks. Mr. Fudacz estimated that Niagara used about 140,000 lbs (three truck loads) of lead bricks in 2017. He stated that an outside contractor visits about every six weeks, depending on Niagara's lead usage, to clean up around the lead tanks. He stated that Niagara does not store lead on-site outside of the molten tanks. Additionally, Mr. Fudacz informed inspectors that the following units listed in the permit are currently offline: Pangborn Mechanical Coil Descaler and its associated PM control devices (Tenkay-Farr Cartridge Dust Collection System, Riga-Flo 200 Filter Collector), Coil Drawing Line No. 5 and its associated PM control device (Torit dust collector), and No. 10 Induction Furnace.

TOUR INFORMATION

EPA toured the facility: Yes

Data Collected and Observations:
I arrived in Hammond around 8:30 AM. From my vehicle, I observed fugitive dust at the North bay door as a semi-truck was exiting the facility (Image #1) as well as several open doors and windows along the North exterior (Images #2-4).

Our tour with Mr. Fudacz began around 10:30 AM. During portions of our tour, inspectors were accompanied by Mr. Ortiz. At the No.3 Roller Hearth, we observed the ductwork used to exhaust furnace air outside (Image #5). We observed the adjacent Cold Draw Units, No. 3 and No. 7; No 3 was currently operating (Image #6). Here, we observed a hood over the operator areas that provided fresh, filtered air from outside and a separate hood over the die caster that vented to a stack outside, positioned in the northwest corner of a courtyard (Image #7, #11-12).

Near the North side of the plant, we observed the molten lead dip tanks and the 55-gallon drums used to collect the accumulated dross (Images #9-10). Though not currently in use, both tanks were continuously heated. There were two ceiling vents that appeared to be passive, heat-activated vents, one positioned over each tank (Image #8).

Next, we observed the Screw Hearth Line (Images #13-14), in which hot rolled steel bars/rods are heated to around 1500-1600°F, quenched, and heated again to about 900°F. The furnaces exhaust uncontrolled outside along the eastern boundary of the same courtyard previously mentioned. At the No. 1 Roller Hearth, we noted that the furnace exhausts uncontrolled indoors (Images #15-16).

Outside, we observed the Wheelabrator baghouse on the north side of the building, and we noted the extent to which rust-colored stains had discolored the sidewalk and neighboring properties; Mr. Fudacz explained that these stains were likely due to the iron processing (Images #17). Under the baghouse, I observed that the ground was coated with bluish-grey dust (Image #18). Inside, we observed the Wheelabrators. These units were off while the staff was on lunch break. The East unit was noticeably covered with cardboard (Images #19-20) whereas the West unit was covered with a tarp. Mr. Ortiz explained that both machines are old and worn, and that while repairs are made to patch holes as soon as the crew is able, a tarp or cardboard may be used in

the interim to protect employees. We observed at the exit of the East Wheelabrator that the bars/rods immediately pass under two hoses pumping out an aqueous lime slurry. The lime-coated bars are stored in racks to dry. According to Mr. Fudacz, the lime coating acts as a lubricant for die casting. Mr. Fudacz informed us that the facility does not do any pickling.

Photos and/or Videos: were taken during the inspection.

Field Measurements: *were not taken during this inspection.*

RECORDS REVIEW

At the end of the tour, before holding the closing conference, inspectors quickly reviewed the following records:

1. Preventative Maintenance Plan (PMP)
2. Wheelabrator baghouse daily pressure drop (ΔP) log

CLOSING CONFERENCE

Requested documents:

- PMP
- Wheelabrator baghouse daily ΔP log for past two weeks
- Records of the most recent pressure calibration for Wheelabrator baghouse

Compliance Assistance: I provided Tier 1 guidance by conveying an understanding of the requirements of Section C.6 of Niagara's MSOP as it pertains to fugitive PM emissions pursuant to 326 IAC 6.8-10-3. I informed Mr. Fudacz that the dust from their paved roadways have instantaneous opacity limits and that typical control practices include watering the area.

Concerns: I told Mr. Fudacz and Mr. Ascher that, prior to entering the facility and beginning the inspection, I witnessed fugitive dust at the North bay door as a semi-truck was exiting the facility but that I did not measure the opacity of the dust because I was viewing the scene through my vehicle window. I told the staff that the daily ΔP log for the Wheelabrator baghouse was missing a recent daily reading with no explanation for its absence and that the log labelled the safe minimum ΔP as 0.5 inches of water (in H_2O) despite the permit and the PMP both listing the minimum ΔP as 1.0 in H_2O. When asked about my interest in the lead process, I informed the staff that I was concerned about the potential for fugitive emissions.

SIGNATURES

Report Author: Sandra Clark Date: 1-24-2018

Section Chief: [signature] Date: 2/15/18

Facility Name: Niagara LaSalle Corp
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APPENDIX A: DIGITAL IMAGE LOG

1. **Inspector Name:** Sarah Clark	2. **Dates of Inspection:** December 21, 2017
3. **Company/Facility Name:** Niagara LaSalle Corp	4. **Street Address, City, State:** 1412 150th Street, Hammond, Indiana, 46327
5. **Number of Images:** 20	6. **Archival Record Location:** CD-R Labelled as, "Niagara LaSalle Corp, 1412 150th St, Hammond, IN, Inspection Photos, 12-21-2017"

Image Number	File Name	Date and Time *Central Standard Time*	Latitude and Longitude	Description of Image
1	PC210001.JPG	12/21/2017 8:37 AM	Not Recorded	North bay door immediately after a semi-truck exited
2	PC210002.JPG	12/21/2017 8:44 AM	41.623828, -87.493019	North side of facility: open bay door, open door, closed windows
3	PC210003.JPG	12/21/2017 8:44 AM	41.623828, -87.493019	North side of facility: baghouse
4	PC210004.JPG	12/21/2017 8:46 AM	41.623272, -87.493778	North side of facility at 150th and Beech Ave, open window
5	PC210005.JPG	12/21/2017 10:43 AM	41.622311, -87.493650	No.3 Roller Hearth, exhaust ductwork
6	PC210006.JPG	12/21/2017 10:51 AM	41.622222, -87.493611	Cold Draw Unit No. 3 in operation
7	PC210007.JPG	12/21/2017 10:58 AM	41.622381, -87.493036	Stack for Cold Drawn Units No. 3,7 exhaust
8	PC210008.JPG	12/21/2017 11:05 AM	41.622222, -87.492775	Ceiling vents over molten lead dip tanks
9	PC210009.JPG	12/21/2017 11:05 AM	41.622331, -87.493247	Molten lead dip tank
10	PC210010.JPG	12/21/2017 11:06 AM	41.622619, -87.493311	55-gallon drum with lead dross
11	PC210011.JPG	12/21/2017 11:09 AM	41.622653, -87.493297	Hoods providing fresh air for operator and exhaust over Cold Draw Unit No. 3
12	PC210012.JPG	12/21/2017 11:09 AM	41.622653, -87.493297	Hoods providing fresh air for operator and exhaust over Cold Draw Unit No. 7
13	PC210013.JPG	12/21/2017 11:28 AM	41.622500, -87.493053	Screw Hearth Line
14	PC210014.JPG	12/21/2017 11:29 AM	41.622717, -87.492619	Screw Hearth Line
15	PC210015.JPG	12/21/2017 11:43 AM	41.622500, -87.492500	No. 1 Roller Hearth Exhaust

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APPENDICES AND ATTACHMENTS

1. CBI Attachment
2. **Appendix A**: Digital Image Log

Facility Name: Niagara LaSalle Corp
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16	PC210016.JPG	12/21/2017 11:43 AM	41.622644, -87.492638	No. 1 Roller Hearth Exhaust
17	PC210017.JPG	12/21/2017 11:50 AM	41.622897, -87.493935	Wheelabrator Baghouse (front)
18	PC210018.JPG	12/21/2017 11:51 AM	41.622947, -87.493922	Wheelabrator Baghouse (underneath)
19	PC210019.JPG	12/21/2017 11:59 AM	41.623011, -87.493375	East Wheelabrator, bottom front
20	PC210020.JPG	12/21/2017 12:03 AM	41.622778, -87.493611	East Wheelabrator, top front